

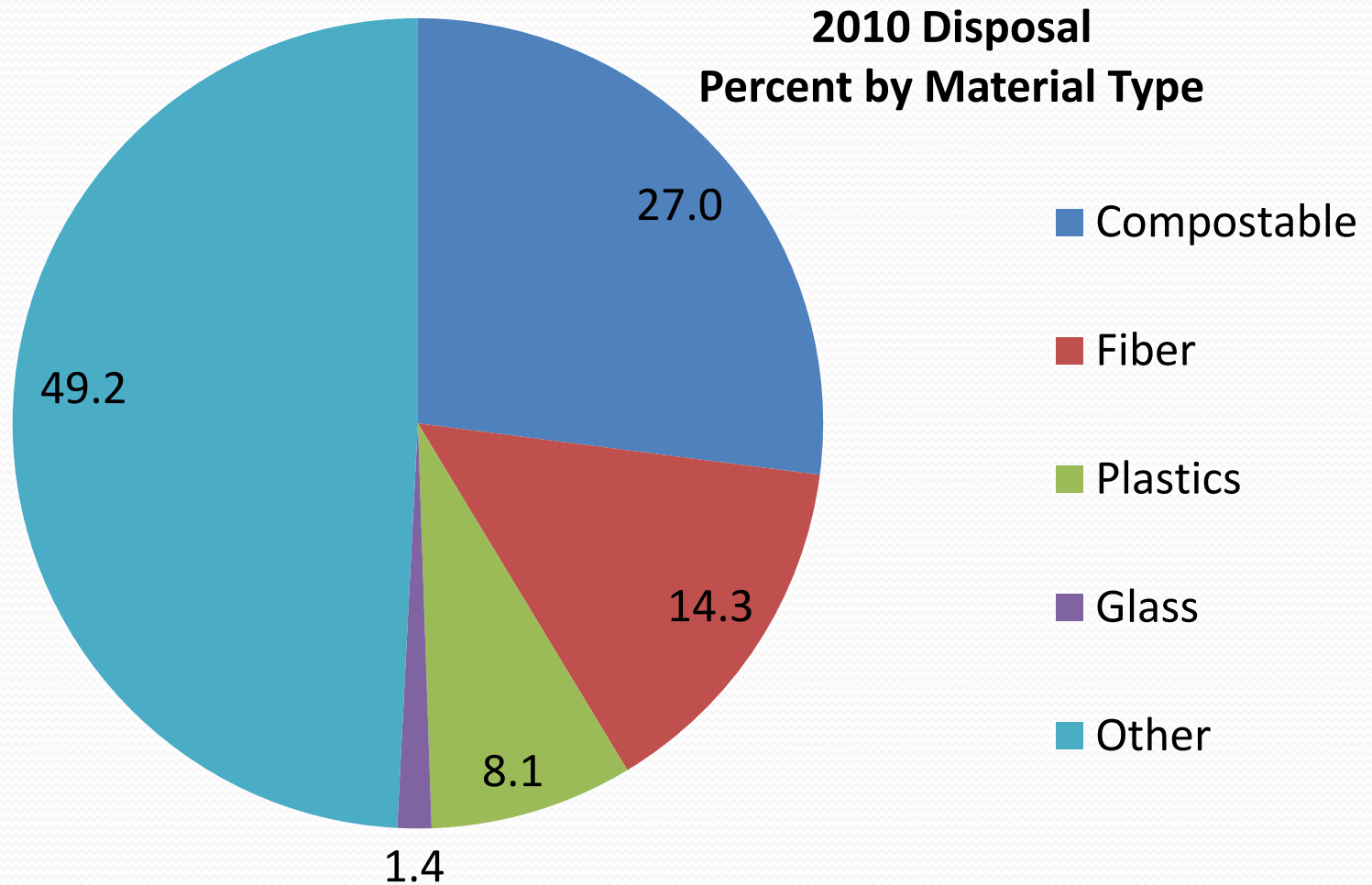


# Recycling Facility Financing Seminar CalRecycle Financing Programs

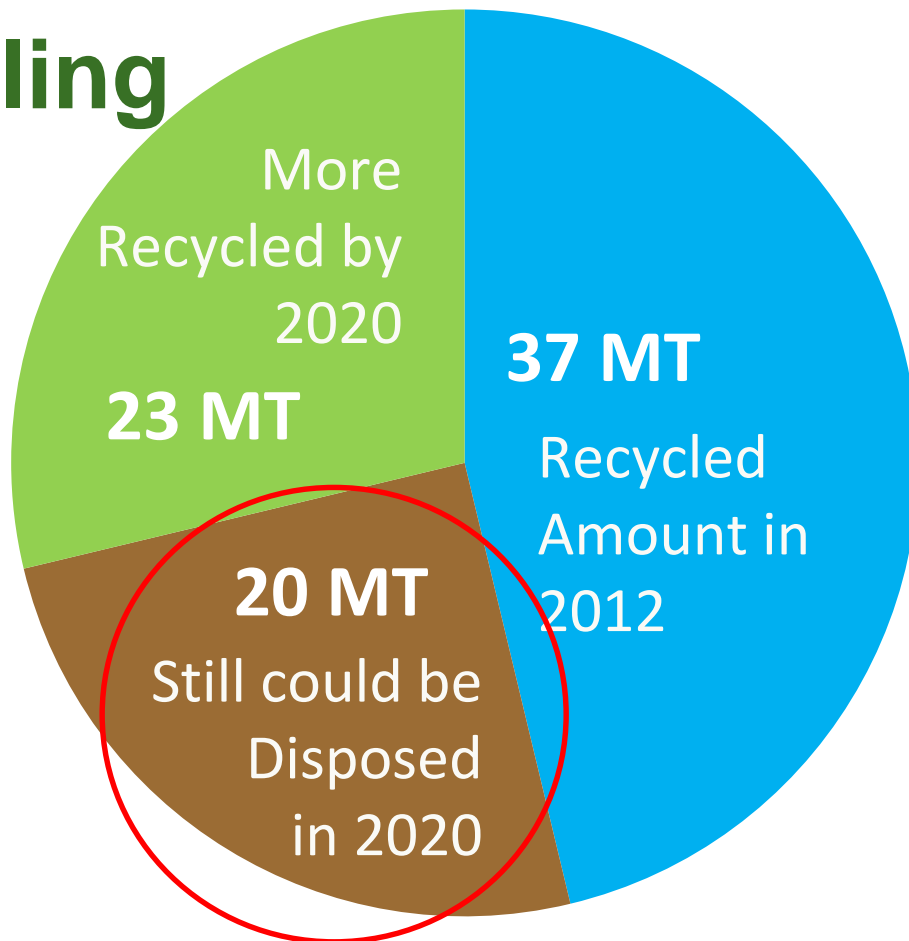
# Policy Drivers

- **AB 939 (enacted 1989)**
  - 50% Per Capita Jurisdiction Mandate
- **AB 341 (enacted 2011)**
  - 75% Statewide Goal
- **AB 32 (enacted 2006)**
  - Reduced greenhouse gas emissions

# Materials Landfilled



# Projected 2020 tonnages to reach 75% recycling



# **Greenhouse Gas Reduction Fund (FY 14/15)**

## **Section I - Grants**

- Organics Grant Program - \$15 million
- Fiber, Plastic, & Glass Grant Program - \$5 million

## **Section II - Loans**

- Organics, Fiber, Plastic, & Glass Loan Program - \$5 million

# **Recycling Market Development Zone Fund**

## **Section III – RMDZ Loans**

- Recycling Market Development Zone Loan Program - \$10 million

# Section I.

## Greenhouse Gas Reduction Grants

Competitive grant program to reduce GHGs and divert materials from landfills by expanding existing capacity or establishing new facilities in California; also address disadvantaged communities

### **Organics**

- To reduce green materials, food materials, and/or Alternative Daily Cover sent to landfills.

### **Fiber, Plastics, & Glass (FPG)**

- To reduce fiber, plastic, or glass materials sent to landfills.

# Greenhouse Gas Reduction Grants Eligibility

## **Eligible Applicants**

- Government entities: cities, counties, regional or local sanitation agencies, water agencies & JPAs.
- Private, for-profit entities
- Operators of composting or anaerobic digestion facilities
- Nonprofit organizations
- State agencies
- State and UC universities
- Qualifying Indian Tribes

## **Eligible Projects**

Construction, renovation or expansion of facilities in California that process:

- Compost
- Anaerobic digestion or other related digestion or fermentation processes.
- Fiber
- Plastic
- Glass



# Greenhouse Gas Reduction Grants Criteria

## **Use of Grant Funds:**

- Purchase of equipment
- Machinery
- Real Estate improvements associated with the installation/project

## **Project Readiness:**

- Major permits in place or underway
- Environmental review mostly completed
- Work plan
- Budget
- Fiscal soundness



# Greenhouse Gas Reduction Grants

## Cycle 1 (FY 14/15)

\$20 Million Grants

Awarded November 18, 2014

$\frac{3}{4}$  in disadvantaged communities

All 8 in RMDZs

### **Organics (\$15M):**

- CR& R Inc.
- Colony Energy Partners
- Mid Valley Disposal
- Recology East Bay Organics
- Burrtec Waste Industries, Inc.

### **Fiber Plastic Glass (\$5M):**

- Command Packaging
- Peninsula Plastics Recycling, Inc.
- Sonoco Products Company

# Greenhouse Gas Reduction Grants Cycle 2 (FY 15/16)

\$25 Million Proposed (~\$20 Million Grants, ~\$5 Million Loans)

*Subject to approval of 2015/16 State Budget*

## Tentative Grant Dates:

- Application release Spring 2015
- Due Date early Summer 2015
- Award Date late Fall 2015
- Grant Funding early 2016

## Section II.

# Greenhouse Gas Reduction Loans

Loan program to reduce GHGs and divert materials from landfills by expanding existing capacity or establishing new facilities in California; also address disadvantaged communities

### **Organics** (first call on loan \$)

- To reduce green materials, food materials, and/or Alternative Daily Cover sent to landfills.

### **Fiber, Plastics, & Glass (FPG)** (if \$ available)

- To reduce fiber, plastic, or glass materials sent to landfills.

# Greenhouse Gas Reduction Loans Eligibility

## **Eligible Applicants**

- Government entities: cities, counties, & JPAs.
- Private, for-profit entities
- Operators of composting or anaerobic digestion facilities
- Nonprofit organizations

## **Ineligible Loan Applicants**

- State Agencies
- State and UC universities
- Qualifying Indian Tribes
- Regional or local sanitation agencies, water agencies

## **Eligible Projects**

Construction, renovation or expansion of facilities in California that process:

- Compost
- Anaerobic digestion or other related digestion or fermentation processes.
- Fiber
- Plastic
- Glass

# Greenhouse Gas Reduction Loans Criteria

## **Use of Loan Funds:**

- Purchase of equipment
- Machinery
- Real Estate improvements associated with the installation/project

## **Project Readiness:**

- Major permits in place or underway
- Environmental review mostly completed
- Work plan
- Budget
- Fiscal soundness

**GHG analysis required**

# Greenhouse Gas Reduction Loans Cycle 1 (FY 14/15)

- Application due December 1, 2014
- Available funds \$4.6 million
- Applications are under review
- Loan Committee March 12, 2015
- Awards April 2015

# Greenhouse Gas Reduction Loans Cycle 2 (FY 15/16)

## Tentative

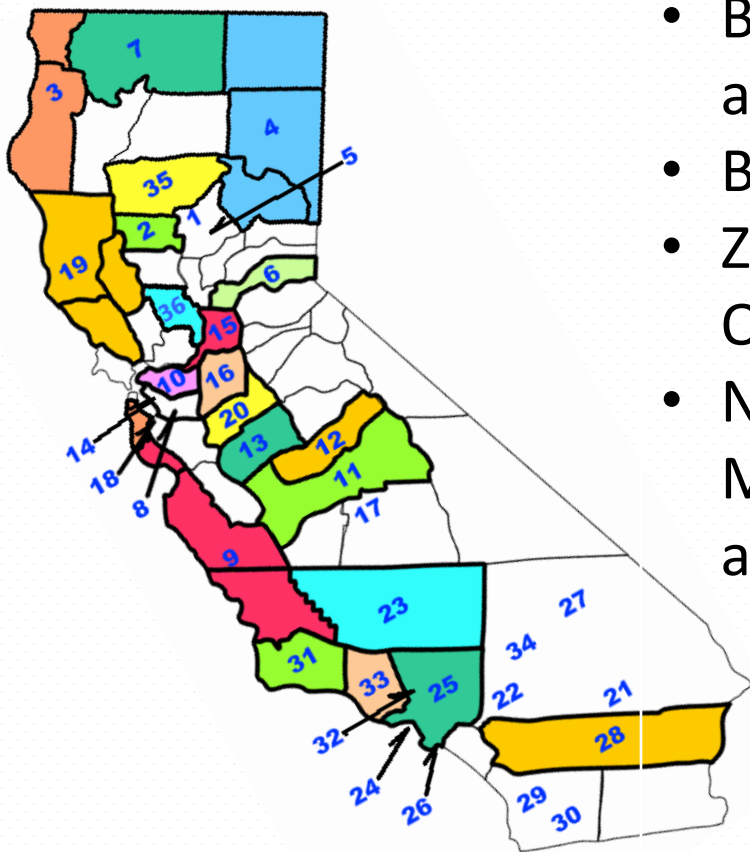
- Application release March 2015 \$2.9 million
- Additional \$4.6 million available July 1, 2015
- First come first serve basis
- Funding within four months for fully completed applications



# Section III.

## Recycling Market Development Zones

- Partnership between locals and state
- Both financial and non-financial assistance
- Business must be in one of 36 zones
- Zones cover 88,000 sq. miles from Oregon border to San Diego
- New zone applications available after March 1, 2015, for additional cities and counties to participate



# RMDZ Loans

Purpose is to divert materials from landfills by expanding existing capacity or establishing new facilities in Calif.

- Program combines recycling with economic development to site or expand facilities, create jobs, and divert waste from landfills.
- RMDZ administrators assist with local siting, permitting, feedstock, marketing, and business technical assistance.
- No GHG reduction requirement.

# RMDZ Loan Program Statistics

- Available funds – currently \$10 million in FY 14/15
- Funded 181 loans to 142 companies totaling \$127 million since in 1993.
- Jobs directly created from loans -- approximately 2,000 since 1993.

# RMDZ Loans

## Eligibility

### **Eligible Applicants**

- Private, for-profit entities
- Operators of composting or anaerobic digestion facilities
- Nonprofit organizations

### **Ineligible Loan Applicants**

- Government Entities
- State and UC universities
- Indian Tribes
- Regional or local sanitation agencies, water agencies

### **Eligible Projects**

Construction, renovation or expansion of facilities in California that process:

- Compost
- Anaerobic digestion or use other related digestion or fermentation processes to turn green or food materials into value-added products.
- Fiber
- Plastic
- Glass
- Other non-hazardous waste that is landfilled in California.

# RMDZ Loans Criteria

## **Use of Loan Funds:**

- Purchase of equipment
- Machinery
- Real Estate improvements associated with the installation/project
- Working capital
- Onerous Debt

## **Project Readiness:**

- Major permits in place or underway
- Environmental review mostly completed
- Work plan: clear & concise
- Budget
- Fiscal soundness
- Application completeness

# RMDZ Loans Application Dates

- Ongoing application process
- Currently \$7 Million available for 2014/15

# GHG and RMDZ Loan Programs

## Terms in Common

- Interest rate 4%
- Maximum loan amount: \$2 million each loan, but no more than \$5 million combined GHG and RMDZ loans.
- Loan terms up to 10 years, or 15 years when secured by real estate
- No prepayment penalty cost



# GHG and RMDZ Loan Underwriting Requirements

1. Operator work and education experience
2. Ability to repay the loan
3. Adequacy of collateral
4. Business owner guarantee(s) or Letter of Credit
5. Required Match: 25%

# Contacts

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- <http://www.calrecycle.ca.gov/RMDZ/>

# Questions/Comments

- Grant Programs
- Loan Programs